

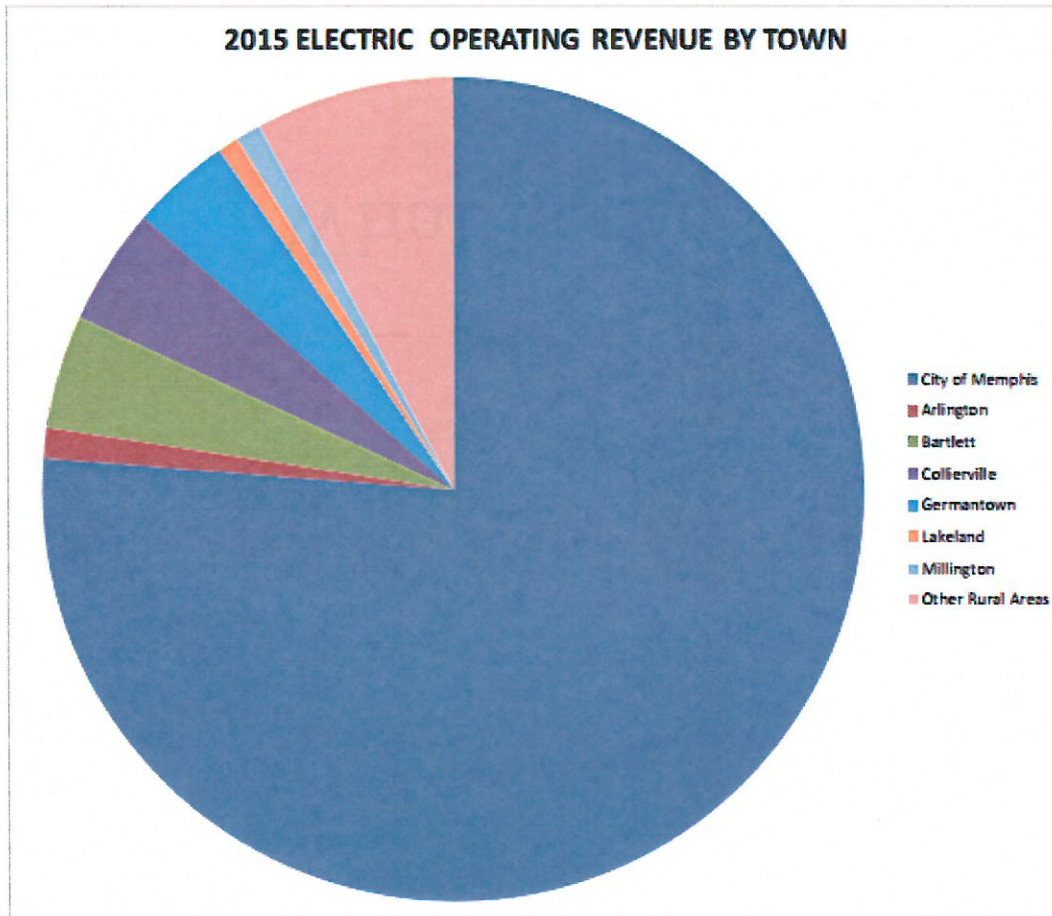
What is the MLGW ballot question
all about?

Memphis City Council MLGW Committee – 11.1.2016

2015 MLGW Electric Operating Revenue

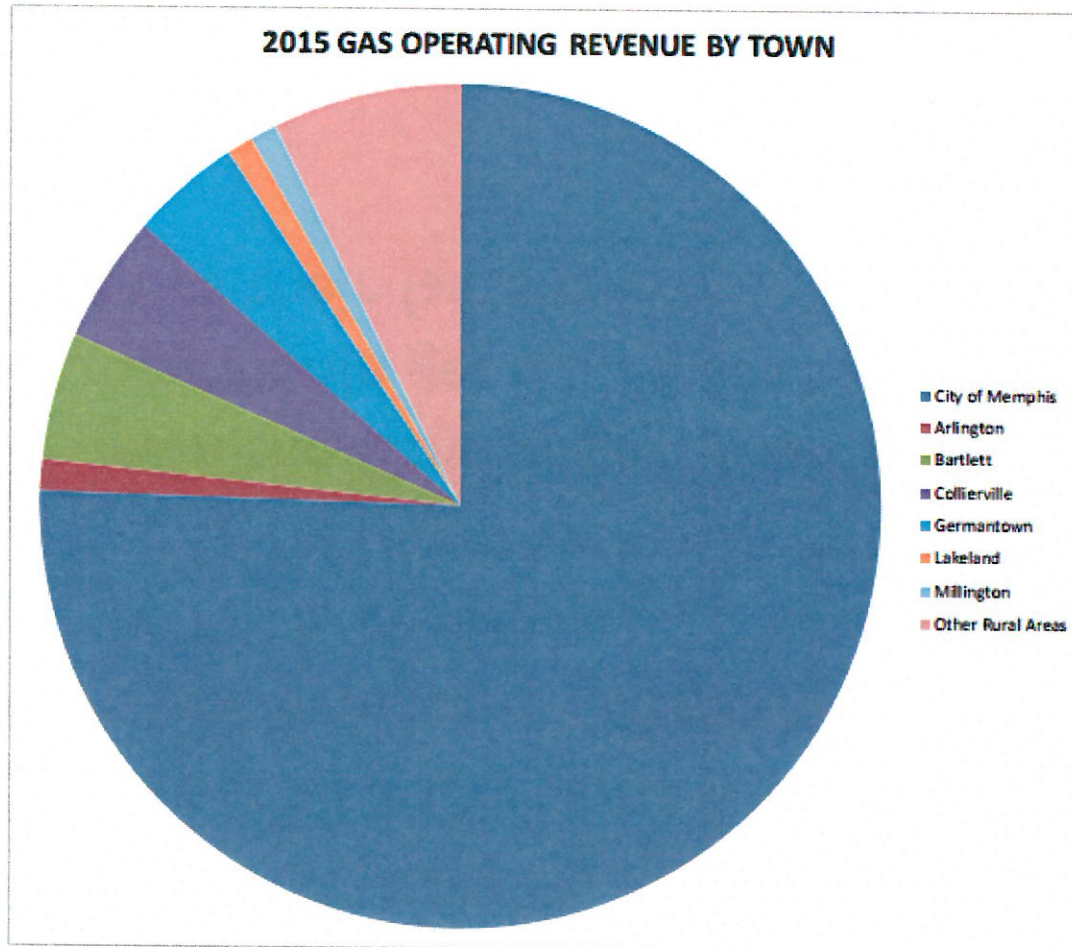
► In 2015:

- >76% of Electric Operating Revenue came from Memphians
- ~16% came from the other municipalities
- <8% came from unincorporated Shelby County



	ELECTRIC AMOUNT		
	2015	2014	2013
City of Memphis	\$ 967,152	\$ 977,962	\$ 954,069
Arlington	15,134	15,011	14,323
Bartlett	56,242	55,444	53,117
Collierville	58,423	58,349	56,502
Germantown	49,929	49,723	48,155
Lakeland	10,288	10,075	9,607
Millington	12,720	12,466	11,410
Other Rural Areas	98,673	101,874	98,898
Total	\$ 1,268,561	\$ 1,280,904	\$ 1,246,081

2015 MLGW Gas Operating Revenue



► In 2015:

- >75% of Electric Operating Revenue came from Memphians
- ~18% came from the other municipalities
- ~7% came from unincorporated Shelby County

	GAS AMOUNT		
	2015	2014	2013
City of Memphis	\$ 188,488	\$ 248,358	\$ 217,229
Arlington	3,047	4,182	3,304
Bartlett	12,312	16,788	13,296
Collierville	12,170	16,925	13,332
Germantown	10,584	14,850	11,833
Lakeland	2,506	3,494	2,719
Millington	2,580	3,356	2,509
Other Rural Areas	18,218	25,859	20,394
Total	\$ 249,905	\$ 333,812	\$ 284,616

Summarizing the Data

- ▶ Across all 3 Divisions (Electric, Gas, and Water) in 2015:
 - ▶ Total Revenue: \$1,602,957,000
 - ▶ Paid by Memphians:\$1,225,747,000 (~76.5%)
 - ▶ Paid by Unincorporated Shelby County: ...\$127,849,000 (~08.0%)
- ▶ Yet, if the County gets their way and this referendum fails, they would get 22.5% of the PILOT payment, almost 3 times their fair share



Who has your best interests in mind?

Transfers to the City of Memphis

2015 Compared to 2014:

MLGW's transfer to the City is based on the formula provided by the May 29, 1987 TVA Power Contract Amendment (Supp. No. 8). The formula includes a maximum property tax equivalency calculation plus 4% of operating revenue less power costs (three-year average). Transfers to the city represent the Electric Division's in lieu of tax payment. The transfer for 2015 decreased by \$2.6 million due to a \$1.9 million reduction in the tax equalization rate, a decrease of \$1.5 million resulting from higher PILOT to Shelby County and the City requesting \$0.5 million less than the maximum allowed by TVA contract. The decreases are partially offset by an increase of \$1.4 million due to increased net plant investment and operating revenue less power costs (three-year average).

- ▶ Year-over-year, the County has been demanding more
- ▶ Meanwhile, the City Council was voting to take less to help offset prices for the ratepayers throughout all of Shelby County
- ▶ **What does that tell you?**



Shelby County Education Fund FY 2015

Shelby County, Tennessee				
Budgetary Comparison Statement Education Fund For the Year Ended June 30, 2015				
	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Property taxes	\$ 361,890,000	\$ 361,890,000	\$ 372,756,577	\$ 10,866,577
Other local taxes	19,398,000	19,398,000	8,531,423	(10,866,577)
Total revenues	381,288,000	381,288,000	381,288,000	
Expenditures:				
Arlington Public Schools	---	12,910,066	12,910,066	
Bartlett Public Schools	---	21,567,854	21,567,854	
Collierville Public Schools	---	20,456,899	20,456,899	
Germantown Public Schools	---	15,285,211	15,285,211	
Lakeland Public Schools	---	2,145,293	2,145,293	
Millington Public Schools	---	7,125,437	7,125,437	
Shelby County Public Schools	381,288,000	303,597,240	303,597,240	
Total expenditures	381,288,000	383,088,000	383,088,000	
Excess (deficiency) of revenues over (under) expenditures	---	(1,800,000)	(1,800,000)	
Other financing sources (uses):				
Transfers in	---	1,800,000	1,800,000	
Total other financing sources (uses)	---	1,800,000	1,800,000	
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ ---	\$ ---	\$ ---	\$ ---

So what are the take-aways?

- ▶ MLGW is a City-created, City-owned utility, funded overwhelmingly by ratepayers and taxpayers within the City limits
 - ▶ Section 6.05. Municipalities. Nothing in this charter shall be construed as interfering with the rights of municipalities within the county to retain their powers and functions and to provide municipal services in accordance with law, and further, ordinances enacted by the board of county commissioners under this charter shall not interfere with the local affairs of any municipality within the limit of Shelby County.
- ▶ A vote “FOR” the Ballot Measure keeps \$5 million in the City’s budget, where it belongs
- ▶ This measure does not raise your taxes
 - ▶ Instead, it keeps them lower and funds benefits like better paved streets and other neighborhood improvements
- ▶ This measure does not raise your MLGW rates
 - ▶ Instead, it allows the Council to help keep them lower when necessary
- ▶ This Council believes unanimously that this is Fair

So, during early voting through Thursday Nov. 3, or on Nov. 8 –

**Vote “FOR” the Memphis Home Charter
Amendment**



